

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
MONDAY, AUGUST 2, 2004 AT 2:00 P.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

SPECIAL ORDER OF BUSINESS

ITEM-S400: Torrey Pines High School Boys Lacrosse Day.

COUNCILMEMBER PETERS’ RECOMMENDATION:

Adopt the following resolution:

(R-2005-143)

Proclaiming August 2, 2004 to be “Torrey Pines High School Boys Lacrosse Day” in the City of San Diego.

ADOPTION AGENDA, DISCUSSION, HEARINGS

SPECIAL HEARING:

ITEM-S401: In the Matter of Information Report Update on FY 2004 – 2005 State Budget.

(See memorandums from Andrew Poat dated 7/8/2004 and 7/13/2004.)

(Continued from the meetings of July 13, 2004, Item S401, July 19, 2004, Item S401, and July 27, 2004, Item S403, last continued at the request of Councilmember Madaffer, for further review.)

ADOPTION AGENDA, DISCUSSION, HEARINGS

NOTICED HEARINGS:

ITEM-S402: Two actions related to Rancho Bernardo Maintenance Assessment District.

(Rancho Bernardo Community Area. District-5.)

(Continued from the meeting of July 27, 2004, Item 341, at Councilmember Frye's request, to allow time for vote tabulation.)

NOTE: Public testimony portion of hearing closed. No testimony taken on 7/27/2004.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2004-1174)

Approving Fiscal Year 2005 Budget for the Rancho Bernardo Maintenance Assessment District.

Subitem-B: (R-2004-1176)

Considering the protests, approving Engineer's Report, confirming the assessments, and ordering the proposed maintenance, in the matter of the Rancho Bernardo Maintenance Assessment District.

CITY MANAGER SUPPORTING INFORMATION:

This action will increase the Fiscal Year 2005 assessments for the Rancho Bernardo Maintenance Assessment District (District). The District is located in the Rancho Bernardo Community Planning Area. It was established in July 1983 and was last balloted in 1997. For the last several years the District has been over-spending its income, and is financing the maintenance of its current service level by spending down its reserve. In January 2004, the Rancho Bernardo Maintenance Assessment District Citizens Advisory Committee voted to initiate the balloting of the District property owners to: (1) raise the annual assessment per Equivalent Benefit Unit (EBU) from \$7.21 to \$15.00 in Fiscal Year 2005, (2) incorporate new areas into the district, and (3) authorize a cost indexing factor of an amount not to exceed the San Diego CPI-U plus 3%. The purpose is to increase income sufficiently to cover the current service level, maintain a minimum 10% operating reserve, and fund small planting projects and their future maintenance through the assessment of property owners.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-S402: (Continued)

CITY MANAGER SUPPORTING INFORMATION: (Continued)

This district would provide maintenance for landscaped medians, hardscaped medians, landscaped rights-of-way, and hardscaped rights-of-way.

	<u>FY 2005</u>	<u>Maximum Authorized</u>
<u>EXPENSES:</u>		
Personnel	\$36,993	\$36,993
Contract	\$251,961	\$308,816
Incidentals	\$60,491	\$74,541
Energy and Utilities	<u>\$21,943</u>	<u>29,094</u>
TOTAL EXPENSES	\$371,388	449,444
<u>REVENUES:</u>		
Assessments	\$364,420	\$449,494
City Contributions-Gas Tax	\$33,872	\$33,872
Interest	<u>\$5,000</u>	<u>\$5,000</u>
TOTAL REVENUES	\$403,292	\$488,366
RESERVES	\$31,904	\$38,922

The proposed property owner assessment for Fiscal Year 2005 is \$15.00 per EBU. A maximum assessment authorized for the District is \$18.50 per EBU. The District contains a total of 14,895 EBUs.

FISCAL IMPACT:

It is proposed that the City will contribute \$33,872 from the Gas Tax Fund 302191 for the City's share of expenses incurred for maintenance of street medians comparable to similar areas throughout the City. All other costs are assessed to property owners in the District. The City owns 12 assessable parcels in the district, resulting in a General Fund assessment in Fiscal Year 2005 of \$1,933.

Herring/Oppenheim/AWF

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-S403: Three actions related to the Torrey Highlands Maintenance Assessment District.

(Torrey Highlands Community Area. District-1.)

(Continued from the meeting of July 27, 2004, Item 342, at Councilmember Madaffer's request, to allow time for vote tabulation.)

NOTE: Public testimony portion of hearing closed. No testimony taken on 7/27/2004.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2004-1192)

Considering the protests, approving Assessment Engineer's Report, confirming the Assessments, and ordering the proposed maintenance, in the matter of the Torrey Highlands Maintenance Assessment District.

Subitem-B: (R-2004-1193)

Approving Fiscal Year 2005 Budget for the Torrey Highlands Maintenance Assessment District.

Subitem-C: (R-2004-1194)

Authorizing the City Auditor and Comptroller to establish the Torrey Highlands Maintenance Assessment District fund.

CITY MANAGER SUPPORTING INFORMATION:

This action establishes Torrey Highlands Maintenance Assessment District (District) and authorizes the Fiscal Year 2005 assessment. The District, also referred to as "Subarea 4" of the North City Future Urbanizing Area, encompasses roughly 1,520 acres, and is generally located north of Los Peñasquitos Preserve and east of Rancho Peñasquitos. The purpose of the District is to fund maintenance of specified landscaped and hardscaped medians, landscaped rights-of-way, adjacent slopes, sidewalks, gutters, and brow ditches within the District. During February and March 2004, the District was balloted.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-S403: (Continued)

CITY MANAGER SUPPORTING INFORMATION: (Continued)

On March 30, 2004, the weighted votes were tabulated, and the District was not formed due to a majority protest of 59% opposed and 41% in favor. It was subsequently determined that this ballot failed primarily as a result of the protest of a single large property owner. However, after the votes were tabulated, the property owner indicated that he erroneously protested the formation, and he volunteered to fund another ballot and campaign to form the District. This action authorizes the second balloting of this District in accordance with the actions taken on March 30, 2004, in accordance with Resolution R-299036.

	<u>FY 2005⁽¹⁾</u>	<u>Maximum Authorized⁽²⁾</u>
<u>EXPENSES</u>		
Personnel	\$0	\$67,803
Contract	\$0	\$398,301
Incidentals (3)	\$80,000	\$92,546
Energy and Utilities	<u>\$0</u>	<u>\$56,741</u>
TOTAL EXPENSES	\$80,000	\$615,391
<u>REVENUES</u>		
Assessments--- Zone 1	\$41,432	\$195,348
Assessments--- Zone 2	\$78,572	\$370,397
Assessments--- Zone 3	\$0	\$99,739
City Contributions—Gas Tax	<u>\$0</u>	<u>\$24,154</u>
TOTAL REVENUES	\$120,004	\$689,638
RESERVES	\$40,004	\$74,247

- (1) FY 2005 is the City's Fiscal Year 2005, which begins July 1, 2004 and ends June 30, 2005.
- (2) Maximum authorized annual assessment subject to cost-indexing provisions contained in Assessment Engineer's Report.
- (3) Includes cost of formation, assessment enrollment, oversight, and original ballot process of February/March 2004.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-S403: (Continued)

CITY MANAGER SUPPORTING INFORMATION: (Continued)

Proposed annual assessments have been calculated by an independent assessment engineer for the parcels within Torrey Highlands MAD based on each parcels' Equivalent Benefit Unit (EBU). For benefit apportionment purposes, Torrey Highlands MAD has been divided into three zones. The zone locations and unit assessment rates are as follows:

- Zone 1 – Core Area - Consists of all parcels in the District, except those in Zones 2 & 3:
FY 2005 (proposed): \$23.64 per EBU; Maximum (proposed): \$111.46 per EBU;
- Zone 2 – Torrey Meadows and Torrey Santa Fe Area:
FY 2005 (proposed): \$43.51 per EBU; Maximum (proposed) \$205.12 per EBU;
- Zone 3 – Southern Development Area - Camino Del Sur to the South, portions of Rhodes Crossing development and other non-residential land uses:
FY 2005 (proposed): \$0.00; Maximum (proposed): \$111.46 per EBU.

FISCAL IMPACT:

Approximately \$120,004 will be assessed and collected in Torrey Highlands Maintenance Assessment District in FY 2005. Total General Fund assessment for parkland in FY 2005 is \$86.10.

Herring/Oppenheim/AWF

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-S404: Two actions related to Peñasquitos East Maintenance Assessment District.

(Rancho Peñasquitos Community Area. District-1.)

(Continued from the meeting of July 27, 2004, Item 343, at Councilmember Peters' request, to allow time for vote tabulation.)

NOTE: Public testimony portion of hearing closed. No testimony taken on 7/27/2004.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2004-1114)

Considering the protests, approving Engineer's Report, confirming the assessments, and ordering the proposed maintenance, in the matter of the Peñasquitos East Maintenance Assessment District.

Subitem-B: (R-2004-1115)

Approving Fiscal Year 2005 Budget for the Peñasquitos East Maintenance Assessment District.

CITY MANAGER SUPPORTING INFORMATION:

This action will increase the Fiscal Year 2005 assessments for Peñasquitos Maintenance Assessment District (District) and bring this district into compliance with Proposition 218. The District is located in the Rancho Peñasquitos Community Planning Area. It was established in July 1983 and was last balloted in 1998. For the last several years the District has been over-spending its income, and financing the maintenance of its current service level by spending down its reserve. In November 2003, the Peñasquitos East Maintenance Assessment District Committee voted to initiate the balloting of the District property owners to: (1) raise the annual assessment per Equivalent Benefit Unit (EBU) from \$13.68 to \$28.07 in Fiscal Year 2005, (2) incorporate new areas into the district, and (3) authorize a cost indexing factor of an amount not to exceed the San Diego CPI-U plus 3%. The purpose is to increase income sufficiently to cover the current service level, maintain a minimum 10% operating service, and fund small planting projects and their future maintenance through the assessment of property owners.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-S404: (Continued)

CITY MANAGER SUPPORTING INFORMATION: (Continued)

The new district would provide maintenance for landscaped medians, hardscaped medians, landscaped right-of-ways, and open space.

	<u>FY 2005</u>	<u>Maximum Authorized</u>
<u>EXPENSES:</u>		
Personnel	\$41,908	\$73,342
Contract	\$256,870	\$449,544
Incidentals	\$66,024	\$116,311
Energy and Utilities	<u>\$28,378</u>	<u>\$53,909</u>
TOTAL EXPENSE	\$393,180	\$693,106
<u>REVENUES:</u>		
Assessments	\$396,195	\$693,261
City Contributions -		
Environmental Growth Fund	\$2,317	\$2,317
City Contributions-Gas Tax	\$26,069	\$26,069
City Contributions-General Fund	\$4,982	\$4,982
Interest	<u>\$11,196</u>	<u>\$11,196</u>
TOTAL REVENUES	\$440,759	\$737,825
RESERVES	\$47,579	\$44,719

The proposed property owner assessment for Fiscal Year 2005 is \$28.07 per EBU. A maximum assessment authorized for the District is \$46.72 per EBU. The District contains a total of 14,107.19 EBUs.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-S404: (Continued)

FISCAL IMPACT:

It is proposed that the City will contribute \$26,069 from the Gas Tax Fund 302191 for the City's share of expenses incurred for maintenance of street medians comparable to similar areas throughout the City. The City will also contribute \$2,317 from Environmental Growth Fund 10505 for open space maintenance. Finally, the City will contribute \$4,982 from the General Fund for grounds maintenance at the Peñasquitos Library. All other costs are assessed to property owners in the District. The City owns 14 assessable parcels in the district, including one fire station, one library, and several parks, resulting in a General Fund assessment in Fiscal Year 2005 of \$3,771.

Herring/Oppenheim/AWF